



DEPARTMENT OF THE AIR FORCE  
HEADQUARTERS UNITED STATES AIR FORCE  
WASHINGTON 25, D. C.

DPD-0038-61

REPLY TO:  
Auditor General  
Comptroller, USAF  
Eastern District  
Liaison Officer  
P.O. Box 8155  
S.W. Station  
Washington, D.C.

11 January 1961

SUBJECT: Report of Final Audit of Costs  
Purchase Order No. 22-1615  
Fairchild Camera and Instrument Corporation  
Syosset, New York  
Under Prime Contract No. RT-100  
Lockheed Aircraft Corporation  
Missiles and Space Division  
Sunnyvale, California

TO : Contracting Officer

1. A final audit has been performed under the subject CPFF subcontract from inception on 1 August 1958 to completion on 31 October 1960. The subcontract calls for research and development of secondary programmers, and fabrication and delivery of a specified number thereof, together with related equipment and spare parts.

2. A summary of the results of audit, as detailed in Exhibit A, follows:

Total costs approved		\$499,490.49
Fixed fee	6.6	<u>33,277.95</u>
Total approved		<u>\$532,768.44</u>

3. Allowable costs were determined in accordance with Part 2, Section XV, ASPR, and other terms of the subcontract.

4. All known credits and refunds are reflected in the costs allowed under the subcontract. There are no unclaimed monies or known potential credits or refunds.

5. There are no known scrap or other credits due with respect to property either acquired or furnished by the Government under the subcontract.

6. The subcontractor submitted an inventory of residue materials acquired under the subcontract on 20 October 1960, together with patent and royalty reports.

7. Based upon a preliminary discussion with the Auditor, the Subcontractor submitted a final invoice which was \$270.16 in excess of the approved total shown in Exhibit A. This was due to the use of overhead and G&A rates for the six months ended 30 June 1960 which exceeded the acceptable rates previously agreed upon for that period. Mr. Henry Kurland, the subcontractor's representative, has indicated his concurrence and advised the Auditor that appropriate adjustment will be made when the aforesaid erroneous final billing is returned by the prime contractor for correction.

Audit Liaison Officer  
Eastern District  
Auditor General